

PAYMENT GUARANTY

WHEREAS, Producer, as defined below, desires to sell hogs to IBP, Inc., a Delaware corporation, or one or more of its subsidiaries or divisions (collectively referred to as "IBP"), pursuant to an IBP Hog Procurement Agreement. The undersigned Guarantor has an ownership or other interest in the Producer and benefits from the sales, which are made pursuant to the IBP Hog Procurement Agreement. IBP has agreed to enter into the Hog Procurement Agreement with Producer and has agreed to purchase Producer's hogs in reliance upon the guaranty of the undersigned Guarantor.

NOW, THEREFORE, in consideration of the benefit to the undersigned Guarantor (whether one or more) derived from purchases made, or to be made, by IBP, and the cash flow assistance provided by IBP to:

(or any other address)

(the "Producer"), and to induce IBP to enter the Hog Procurement Agreement with Producer, Guarantor hereby agrees that:

1. Guarantor hereby guarantees, absolutely and unconditionally, without deduction for any claim of offset or counterclaim of Producer, to IBP, its successors or assigns, the prompt and full payment, in U.S. dollars, of any obligation or Deficiency Amounts (as defined in the IBP Hog Procurement Agreement), upon maturity of such obligation or indebtedness or upon demand thereafter, together with interest, as defined in the IBP Hog Procurement Agreement, from the date of maturity until fully paid, and with all costs of collection, including, but not limited to, attorney fees.
2. Guarantor waives all notice of sale, notice of default, presentment for payment, notice of nonpayment, notice of protest and notice of acceptance of this Guaranty. Any extension, renewal, indulgence, transfer, transfer to creditor's indebtedness to IBP, in IBP's sole discretion, with or without notice to Guarantor, shall not relieve Guarantor of any liability hereunder. Guarantor further waives any requirement that IBP first exhaust its legal remedies against Producer before invoking Guarantor's obligations hereunder. Guarantor further waives the benefit of any statute of limitations with respect to the liability of Producer or the enforcement of this Guaranty.
3. Payment of any indebtedness now or hereafter owed by Producer to Guarantor is hereby subordinated to payment of Producer's obligation or indebtedness to IBP hereunder.
4. This Guaranty shall continue and remain in effect until 30 days after the date on which the IBP Hog Procurement Agreement with the Producer terminates. Guarantor further agrees that this Guaranty shall continue and remain in effect with respect to any business entity resulting from a merger or change in organization of Producer in consideration of continued purchases by IBP under the Hog Procurement Agreement.
5. IBP shall not be required to inquire into or investigate the authority of Producer's officers, employees and agents purporting to act on behalf of Producer.
6. The legal significance of, as well as any dispute arising under or otherwise related to the terms of, this Guaranty, including proceedings for its enforcement, shall be governed by and construed in accordance with the laws of the State of South Dakota.
7. Whenever the word "Producer" is used in this Guaranty, it shall mean the Producer actually named, as well as, without limitations Producer's Subsidiaries, Divisions and Affiliates; and in the event Producer is a corporation or limited liability company, its successors and assigns; and in the event Producer is a partnership, any or either of the partners and the survivor or survivors of any of them, and such other person or persons as shall or may at any time hereafter be in partnership with them or any or either of them. No change in partnership or proprietorship shall release the Guarantor unless notice of revocation is given as required by this Guaranty.
8. Words and pronouns used in the plural number shall include the singular number and words and pronouns used in the singular number shall include the plural number. If this Guaranty is signed by more than one person, all signers shall be jointly and severally liable.

9. There are no conditions or limitations in this Guaranty except as may be included at the time of the execution. There shall be no amendments except as may be agreed upon in writing by IBP and the Guarantor. Performance of this Guaranty shall not be assigned without IBP's written consent. The undersigned Guarantor has carefully read and understands the provisions of the Guaranty and its obligations under it, and agrees that it shall be binding on Guarantor and all successors and assigns, and the Guaranty shall inure to the benefit of and be enforceable by IBP and its successors, transferees and assigns. If Guarantor is a corporation or limited liability company, Guarantor warrants that the signature hereon is that of its duly authorized representative having actual legal authority to bind said corporation or limited liability company.

10. In the event any one or more provisions of this Guaranty shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty, and this Guaranty shall be interpreted and construed as if such invalid, illegal or unenforceable provision had never been contained herein.

11. Guarantor's liability to IBP shall survive any bankruptcy of Producer and it will indemnify and hold IBP harmless from any loss or expense as a result of any preference claims or other recovery demands made against IBP in the event of Producer's bankruptcy and Guarantor's payment to IBP under the terms of this Guaranty.

12. At IBP's option and request, Guarantor will either waive or assign to IBP any claim or right to be a creditor of the estate of Producer, but only to the extent that such claim arises out of Guarantor having honored this Guaranty. IBP shall then have the right to prove and vote the claim of Guarantor and to receive all distributions which otherwise may be due Guarantor, to the extent of Producer's debt due to IBP in any proceeding to wind up the affairs of Producer, whether for reorganization of the debtor, an arrangement with creditors, in bankruptcy, or otherwise.

13. Guarantor shall notify IBP of any existing guaranties made by Guarantor to any third party by listing such guaranties on Schedule A, attached hereto. Guarantor shall further notify IBP of any future guaranties made by Guarantor by sending proper notifications to IBP within a reasonable amount of time, following the execution thereof.

14. Guarantor shall provide its financial statements, as defined in the IBP Hog Procurement Agreement, and such other information about Guarantor's business and affairs as IBP may reasonably request.

15. All notices required hereunder shall be delivered by registered United States mail to: Credit Department, IBP, Inc., P.O. Box 515, Dakota City, Nebraska 68731-0515.

IN WITNESS WHEREOF, the undersigned Guarantors have set their hands and seals to this Guaranty on the _____ day of _____, 20____.

(Signature of Witness)

Address _____

(Signature of Witness)

Address _____

(Signature of Guarantor)

Address _____

(Signature of Guarantor) Spouse

Address _____

**GUARANTY
SCHEDULE A**

EXISTING GUARANTEES (or GUARANTIES)
(If there are not existing guaranties, so indicate)

<u>Name of Debtor</u>	<u>Name of Creditor</u>	<u>Limit (if any)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____